



FOR IMMEDIATE RELEASE
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Enrollees in Both Medicare and Medicaid**
As prepared for delivery

Mahatma Gandhi said, "The measure of a country's greatness should be based on how well it cares for its most vulnerable populations."

Last year, nine million Americans were enrolled in both Medicare and Medicaid. These are often seniors or individuals with disabilities whose incomes are low enough to also qualify for Medicaid.

Most of these dually-eligible beneficiaries live below the poverty line, often with severe disabilities or chronic diseases. They are some of the most vulnerable people in our health care system and often require expensive care.

In 2009, these patients made up 18 percent of the Medicaid population, but nearly half of Medicaid's total spending. States and the federal government spend more than \$300 billion each year on these dually-eligible beneficiaries.

Unfortunately for all these patients – and for taxpayers – Medicare and Medicaid often do not work well together. Each program pays for different types of services. Medicare pays for hospital stays, while Medicaid pays for nursing home care.

States set most of their own Medicaid rules, while the federal government sets Medicare rules. Sometimes these rules conflict and the beneficiary is often left on his or her own trying to navigate not one, but two, complex health care programs.

No one wins in this scenario. The federal government pays too much for care. States spend precious dollars on long-term care that could have been prevented. Doctors and hospitals find it difficult to work together. The patient receives inadequate care.

Congress and those who run Medicare and Medicaid have too often overlooked the dually-eligible. There has been little attention paid to the areas where Medicare and Medicaid overlap, and to the populations served by both programs.

In health reform, we began to fix this problem and create better outcomes for patients while saving taxpayer dollars. The health reform law created an office to focus exclusively on the dually-eligible

population: The Medicare-Medicaid Coordination Office. For the first time, Medicare and Medicaid will have to work together.

Some states are creating their own exciting new delivery models. As we'll learn from our witness today, these examples show that coordinated care can lower costs and improve care.

Massachusetts is working with private health plans to integrate Medicare and Medicaid. North Carolina's Medicaid program has been on the forefront of care coordination. And Oklahoma is looking to expand PACE, a provider-based integrated system, to the entire state. These initiatives are promising, but they only affect a small fraction of all dually-eligible beneficiaries.

As we work to improve the quality of care while reducing costs, we should keep in mind four principles.

First, Medicaid and Medicare funding should be coordinated. Both programs should have the incentive to lower overall costs, not shift costs from one program to the other.

Second, the full range of health care services – from hospital care, to long-term care, to prescription drugs, to mental health care – should be coordinated among all providers.

Third, providers and states that improve the health of beneficiaries and lower costs should be rewarded financially.

And fourth, patient protections should be transparent and comprehensive.

We must provide dually-eligible beneficiaries with choices that meet their health care needs while affording them access to the full range of services they require. We took a key first step in health reform, but we have more to do to ensure the most vulnerable beneficiaries are no longer overlooked.

Ms. Bella, I am eager to hear the progress your office has made. I look forward to learning how you think Congress could improve Medicare and Medicaid so that the two programs work more efficiently.

Many of the states represented on this Committee, on both sides of the aisle, are eager to find new ways to care for these beneficiaries.

So let us work together to improve Medicare and Medicaid to better serve dually-eligible beneficiaries. Let us make our health care system more efficient. And let us work to better care for our most vulnerable population.

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